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## **PSC GRANTS RATE INCREASE TO NORTHERN KENTUCKY WATER DISTRICT**

FRANKFORT, Ky. (June 14, 2004) The Kentucky Public Service Commission (PSC) today granted a 5 percent revenue increase sought by the Northern Kentucky Water District.

With the increase, the district's annual revenue would rise from the current \$30.5 million to about \$32 million. The increase in part reflects the changes in income and costs associated with Northern Kentucky Water District's acquisition of the water systems of the cities of Newport and Bromley.

The Northern Kentucky Water District was formed in 1997 through the merger of water districts in Campbell and Kenton counties. The district serves about 71,000 customers in Boone, Campbell, Kenton and Pendleton counties.

The new rates create a uniform rate structure throughout the Northern Kentucky Water District, including the areas recently incorporated into the district. Quarterly (every three months) bills for typical residential customers (based on estimated usage of 18,000 gallons per quarter) will rise as follows:

<b>Area</b>	<b>Current Quarterly Bill</b>	<b>New Quarterly Bill</b>	<b>Increase (%)</b>
Current district	\$76.82	\$78.65	\$1.83 (2.4%)
Newport	\$57.87	\$78.65	\$20.78 (35.9%)

**-more-**

The Northern Kentucky Water District had requested a \$2.2 million increase (down from an original request of \$2.5 million) that would have brought its annual revenue to \$32.7 million. After a review that included a public hearing, the PSC granted a smaller increase.

In addition to its retail customers, the Northern Kentucky Water District is the wholesale water provider for the Bullock Pen and Pendleton County water districts, as well as the city of Walton. Until recently, the Northern Kentucky Water District also supplied water to the Boone County Water District and the city of Florence. They now purchase water from Cincinnati.

In July 2003, the PSC granted the district a rate increase that equalized rates of the former Campbell and Kenton county water districts. At that time, the PSC noted that a further rate change would be needed in order to provide additional revenue and to reflect the Newport acquisition.

In an order issued today, the PSC also authorized the Northern Kentucky Water District to issue \$10.45 million in bonds to pay for improvements throughout its service territory and granted construction certificates for three projects.

The order, related case documents and a videotape of the hearing in the case are posted on the PSC Web site, which is [psc.ky.gov](http://psc.ky.gov). The case number is 2003-00224.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky. The PSC has approximately 110 employees.